

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY, AND A)	
CERTIFICATE OF ENVIRONMENTAL)	
COMPATIBILITY, FOR THE CONSTRUCTION OF)	CASE NO.
AN 80 MW (NOMINAL) COMBUSTION TURBINE)	2000-00056
GENERATING UNIT, RELATED NATURAL GAS)	
PIPELINE LATERAL, AND TRANSMISSION)	
FACILITIES, IN CLARK AND MADISON)	
COUNTIES, KENTUCKY)	

O R D E R

On June 30, 2000, the Commission granted East Kentucky Power Cooperative, Inc. (East Kentucky Power) a Certificate of Public Convenience and Necessity and a Certificate of Environmental Compatibility to construct an 80 MW combustion turbine (CT), at the J.K. Smith site at an estimated cost of \$29 million; 12 miles of 138 KV transmission line and associated facilities at an estimated cost of \$5.5 million; and approximately 8 miles of gas pipeline at an estimated cost of \$6.75 million.

On June 1, 2001, the Commission granted East Kentucky Power's motion to amend the June 30, 2000 Order regarding the gas pipeline. The Order granted East Kentucky Power's request to connect its 6.65 miles of gas pipeline to Texas Eastern Transmission Corporation (Texas Eastern Transmission) instead of connecting to Columbia Gulf Transmission Corporation as had been requested by East Kentucky Power and approved by the June 30, 2000 Order. The 6.65 miles of gas pipeline were estimated to cost \$6 million.

On July 23, 2003, East Kentucky Power filed a motion to amend the June 1, 2001 Order due to an increase of the estimated costs of the 6.65 miles of gas pipeline from \$6 million to \$7.5 million. East Kentucky Power indicated the increase is a result of an increase in the cost of materials due to a delay in acquiring needed rights-of-way, as well as by complications involving unanticipated archaeological surveys. Also, costs have risen due to design changes mandated by Duke Energy, which has acquired the Texas Eastern Transmission pipeline. The rights-of-way acquisition costs were higher than projected.

Based on East Kentucky Power's motion, and being advised, the Commission finds that the increase of the estimated cost is reasonable and should be approved.

IT IS THEREFORE ORDERED that East Kentucky Power's motion to amend the June 1, 2001 Order to reflect that \$7.5 million, rather than \$6 million, is the approved estimated cost of the gas pipeline is granted.

Done at Frankfort, Kentucky, this 2nd day of September, 2003.

By the Commission

ATTEST:


Executive Director